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S E C R E T AMMAN 004533

SIPDIS

E.O. 12958: DECL: 08/13/2012

TAGS: [MOPS](#) [ETTC](#) [EPET](#) [PREL](#) [IZ](#) [JO](#)

SUBJECT: JORDAN: NO INCREASE IN INSURANCE OR SHIPPING

CHARGES SINCE MARLO ADVISORY

REF: A. AMMAN 4506

[1](#)B. AMMAN 3893

Classified By: DCM Gregory L. Berry. Reasons 1.5 (b) and (d)

[1](#)1. (c) Summary. According to the head of the Jordanian Shipping Agents Association, the July issuance of a "special advisory" by the Maritime Liaison Office (MARLO) in Bahrain has not resulted in an increase in either insurance or freight charges for Aqaba shipping. End Summary.

[1](#)2. (c) Senior Jordanian officials, including in recent meetings in Washington, have alleged that the July 8 special advisory that the MIF was "planning to resume" maritime interception operations in the Gulf of Aqaba had led to an increase in insurance and/or freight charges for cargo shipped via the port of Aqaba. The Prime Minister told the Ambassador August 5 that it was now cheaper to deliver goods to Syrian ports and transport overland to Jordan than to ship directly to Aqaba.

[1](#)3. (c) However, Captain Mohammed Dalabieh (please protect) the director of the Jordanian Shipping Agents Association and former Aqaba Port Director, told econ chief August 11 that neither set of costs had been affected by the MARLO advisory. Dalabieh said that approximately four months ago he and the Jordanian embassy in London convinced Lloyds and other insurance companies to discontinue "war risk" insurance surcharges that had been imposed on ships calling at Aqaba since military activity began in Afghanistan in October 2001. Shipping lines had been passing these surcharges (which, Dalabieh said averaged about usd 4.50 per ton) on to shippers. When the surcharges were ended, the lines only cut their rates by about usd 2.00 to 2.50 per ton. Nevertheless, Dalabieh did not believe that the higher costs had affected port usage.

[1](#)4. (c) Dalabieh said he understood that a resumption of MIF inspections was not likely. He was more concerned about the potential impact on Aqaba port activity of possible military action against Iraq. He said he expected that renewed war risk surcharges would result in a cut of about 50 percent in ships visiting Aqaba, cutting vital foreign currency earning exports of phosphates and potash by at least that much.

[1](#)5. (S) Comment: We are continuing to keep a close eye on port traffic to ensure that there are no more surreptitious attempts to move illicit shipments out of Aqaba.  
Gnehm